

Message Text

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TO AMEMBASSY WARSAW

C O N F I D E N T I A L STATE 043440

E. O. 11652: GDS

TAGS: PFOR EMIN PL

SUBJECT: HEAVY INDUSTRY MINISTER REPORTS INTEREST IN
DEVELOPING POLISH COPPER RESOURCES

1. POLISH MINISTER OF HEAVY INDUSTRY LEJCAK ACCOMPANIED
BY VICE MINISTER OF FOREIGN TRADE KARSKI, PRESIDENT OF
POLISH COMMERCIAL BANK MALESA, AND AMBASSADOR TRAMPCZYNSKI
PAID SEPARATE CALLS ON UNDER SECRETARY CASEY AND ASSISTANT
SECRETARY STOESSEL MARCH 6. HIGHLIGHTS OF LEJCAK'S
REMARKS REGARDING COPPER INDUSTRY FOLLOW:

(A) THE TRIP WAS VERY SUCCESSFUL IN ADVANCING THE
FURTHER DEVELOPMENT OF THE INDUSTRY. TO EXPAND IT
FROM ITS PRESENT PRODUCTION OF 150,000 TONS PER
YEAR TO THE TARGET OF 400,000 TONS PER YEAR WILL
REQUIRE A ONE BILLION 200 MILLION DOLLAR INVESTMENT.

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(B) MISSION CONCENTRATED ITS EFFORTS ON OBTAINING FINANCIAL CREDITS OF \$300 MILLION FOR 6- YEAR PERIOD. THE POLISH COPPER INDUSTRY WOULD LIKE ENTER LONG TERM CONTRACT FOR DELIVERIES BEGINNING IN 1976. REPAYMENT WOULD NOT BE CONFINED TO DELIVERIES ALONE, BUT A PORTION OF THE DELIVERIES WOULD INCLUDE PROCESSED COPPER PRODUCTS, SHEETS AND PIPE, NOT ONLY CATHODES AND BARS.

(C) CHASE MANHATTAN AND MORGAN GUARANTY TRUST HAVE BEEN ENCOURAGING. DAVID ROCKEFELLER WAS PARTICULARLY HELPFUL. WE ANTICIPATE RECEIVING THROUGH HIM DETAILED PROPOSALS FOR JOINT VENTURES.

(D) IN DISCUSSIONS WITH AMERICAN COPPER FIRMS, ANACONDA, KENNECOTT, AMERICAN METAL CLIMAX AND M. G. MCKEE WE HAD DIFFERENCES OVER OUR PROPOSED COMPOSITION OF DELIVERIES. AMERICAN FIRMS DESIRE NON- PROCESSED COPPER. WE RECEIVED ENCOURAGEMENT FROM EACH FIRM EXCEPT KENNECOTT, AND WE BELIEVE PROBLEMS CAN BE WORKED OUT.

2. LEJCZAK REQUESTED THE ASSISTANCE OF USG IN OBTAINING EXPORT LICENSES FOR SOME OF THE MODERN COPPER SMELTING AND PETROL REFINING EQUIPMENT WHICH HAD IMPRESSED THE POLISH GROUP ON THEIR TRIP.

3. LEJCZAK REPORTED POLES FOUND CORDIAL RECEPTION EVERYWHERE THEY VISITED BUT WERE PARTICULARLY IMPRESSED BY TEXTRON FIRM WHICH PROVIDED POLES LIST OF PRODUCTS TEXTRON PREPARED TO BUY IN POLAND. LEJCZAK COMMENTED, SECONDED BY OTHERS IN GROUP, THAT ARRANGEMENTS BY US SUPPLIERS TO PURCHASE SHARE OF PRODUCTS TO BE MANUFACTURED WITH US SUPPLIED EQUIPMENT WERE POWERFUL INDUCEMENTS TO POLISH PURCHASERS. LEJCZAK SAID NUMBER OF AMERICAN FIRMS HAD BEEN INVITED TO VISIT POLAND AND HE LOOKED FORWARD TO PLAYING HOST TO MANY OF THEM IN NEAR FUTURE.

4. VICE MINISTER KARSKI OBSERVED POLISH- AMERICAN TRADE DEVELOPING WELL AND SAID POLISH GROUP WOULD PROPOSE DATE AND AGENDA FOR NEXT MEETING OF US- POLISH TRADE COMMISSION
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IN MEETING WITH COMMERCE SECRETARY DENT. KARSKI ALSO

ASKED FOR ASSISTANCE IN:

- (A) EXPEDITING THE APPROVAL DATE FOR OPENING THE POLISH TRADE OFFICE IN SAN FRANCISCO; AND
- (B) SECURING FAVORABLE ACTION ON EXPORT LICENSES FOR INTEGRATED CIRCUITS CONTRACT WITH FAIRCHILD WHICH HE SAID WOULD GREATLY ASSIST THE POLISH ELECTRONIC INDUSTRY AND BE A SUBSTANTIAL BOOST TO US- POLISH ECONOMIC RELATIONS.

5. UNDER SECRETARY CASEY THANKED LEJCZAK FOR HIS PROMISING REPORT AND SAID US LOOKS TO FURTHER EXPANSION OF BILATERAL TRADE. CASEY SAID WE WOULD RESPOND TO TRAMPCZYNSKI ON THE SAN FRANCISCO TRADE OFFICE. HE ADDED WE ARE REVIEWING OUR ENTIRE EXCON LIST AND WOULD HAVE AN ANSWER FOR THE POLES AS SOON AS POSSIBLE ON THEIR INTEGRATED CIRCUIT REQUEST. CASEY FURTHER SAID THAT MINISTER LEJCZAK'S REPORT PROVIDED A GOOD BASIS FOR A SESSION OF THE US POLISH TRADE COMMISSION, ADDING THAT SECRETARY DENT WOULD MOVE AS QUICKLY ON THIS AS APPROPRIATE. ASSISTANT SECRETARY STOESEL GAVE SIMILAR ASSURANCES.

6. IN CONCLUDING REMARKS LEJCZAK SAID POLES EXPECT ADVERSE TRADE BALANCE WITH THE US FOR THE FIRST TIME THIS YEAR. HE REFERRED BRIEFLY TO DIFFERING CONCEPTS OF JOINT VENTURES ADDING THESE COULD TAKE MANY FORMS INCLUDING JOINT MARKET VENTURES IN WHICH THE POLES DO NOT INSIST ON ACCESS TO US MARKETS. THIRD COUNTRY MARKETS WERE EQUALLY ACCEPTABLE.

7. FYI: RE PARA 4, BELIEVE POLES REFERRING TO PLANT FOR PRODUCING IC'S FOR CALCULATORS. FAIRCHILD HAS DISCUSSED WITH COMMERCE BUT HAS NOT YET SUBMITTED CASE. ROGERS

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